

LNF & IHCIF Calculations Illustration

- CHAPA-DE INDIAN HEALTH PROJECT in California area -

Given Data

- 3,572 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 45% = % Expenditures on purchased services, 55% = % expenditures in-house
- 118.1% = Cost index for purchasing health care in this geographic area
- 117.5% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,583 per person for purchased services = $45\% * 118.1\% * \$2,980$
- \$1,926 per person for in-house services = $55\% * 117.5\% * \$2,980$
- \$3,509 per person total = \$1,583 (purchase) + \$1,926 (in-house)
- **\$3,366 per person total** adjusted for health status = $\$3,509 * 95.9\%$
- **\$2,621 per person net cost** = $\$3,366 - \745 Other resources (M&M&PI)

Existing Expenditures (for 3,572 users excluding wrap-around and collections)

- \$901 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,176 per person for OU users** = $\$901 + \$222 + \$54$

LNF Calculation

- **34.9% Gross LNF** = $\$1,176$ (expenditures) / $\$3,366$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **44.9% Net LNF** = $\$1,176 / \$2,621$ net cost ($\$3,366 - \745 other)

IHCIF Allocation

- \$1,415,467 = \$ to raise LNF% from 44.9% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$49,371 Allocation** = $\$1,415,467$ needed for 60% * 3.488% IHCIF fraction

CHAPA-DE INDIAN HEALTH PROJECT Unmet Needs

- **\$9,361,624 Net Total Need** = 3,572 users * \$2,621 net cost

- **\$5,160,117 Net Unmet Need** = (100% - 44.9% LNF) *
3,572 users * \$2,621 net cost